NMEP Case Study Sites Project—
Involuntary Disenrollment from Medicare Managed Care Plans:
Experiences of Beneficiaries in Six Communities—
Program Monitoring of Customer Service
and Information Projects

Purpose: The Centers for Medicare and Medicaid Services (CMS) decided to expand its multi-year assessment of the NMEP to include a special study of disenrollees' experiences in finding and enrolling in a replacement Medicare+Choice (M+C) plan after their initial M+C plan decided to withdraw from the Medicare program in 2001. Using a new subsample for the fourth wave of the ongoing NMEP Community Monitoring Survey in 6 cities, as well as qualitative focus groups in 3 cities, the purpose of this study was to determine the following: 1) What choices did disenrollees make about replacement plans, and what actions did they take to reach and implement those choices? 2) What sources of information did disenrollees use in choosing a replacement plan, and to what extent did they use information provided by CMS in making that decision? 3) How did disenrollees determine whether the information was useful in choosing a replacement plan, and how did they feel about the choices of replacement plans they were offered?

Results: CMS examined the experience of disenrollees in six communities—Houston, Tucson, Sarasota, Minneapolis, Nassau County, New York and Centre County, Pennsylvania. This paper reports the findings on the subpopulation of disenrollees aged 65 – 85, drawing on data from three sources: CMS' Medicare Disenrollment Database (EDB), a new disenrollee subsample for the fourth "wave" of the ongoing NMEP Community Monitoring Survey, and a series of focus groups held during February, 2001 in Minneapolis, Houston, and Nassau County. The results are structured around three central aspects of the disenrollee experience in these communities:

1. *What choices did disenrollees make about replacement insurance, and what actions did they take in order to reach and implement those choices?*

    - Many disenrollees in all sites returned to traditional Medicare (also known as "Original Medicare"), even in sites where one or more managed care plan option(s) remained available.

        - As many as 10 percent of beneficiaries in Houston and Sarasota may have returned to traditional Medicare without supplemental insurance.

    - EDB data indicate that many disenrollees in every site switched to a new plan before the end of 2000, with many of these leaving several months early.

- Non-negligible fractions of disenrollees in Tucson, Nassau County, and Centre County switched more than once during the period August 2000 – February 2001, suggesting problems with availability of satisfactory coverage or problems with information about available options.

2. *From what sources did beneficiaries obtain information during this process, and to what extent did they use the information provided by CMS in particular?*

   - The dominant source of information for disenrollees is insurance vendors (including the departing M+C plans).

   - The second most widely-reported source overall is "friends and family."

   - In many respects, the "official" information resources sponsored or mandated by CMS continue to have a relatively low profile within the local Medicare "information market."

     - Many of these channels and much of the information conveyed by these channels still fail to connect with a large part of the beneficiary population.

     - Roughly 32 to 42 percent of survey respondents indicated that they had read the *Medicare & You* handbook to find out about their insurance options; but when asked to identify which sources they turned to for information to help deal with their involuntary disenrollment, only about 6 to 13 percent of survey respondents in the different sites indicated the handbook as a source.

3. *How did beneficiaries judge the adequacy of the information available to help them make their insurance decision, and how did they feel about their choices of replacement insurance?*

   - More than half of disenrollees in all sites except Houston felt that they had enough information to select their new insurance; and most disenrollees in all sites except Houston felt they had made the best possible choice of insurance.

     - Survey and focus group findings underlined the unsettled state of the Houston market, where the one M+C plan that remained in the market for 2001 closed its enrollment in early fall 2000 after reaching its capacity limit, with no clear indication as to when it might reopen to new enrollment.

4. Additional noteworthy findings include the following:

    - Roughly 9 out of 10 involuntary disenrollees in each site were aware that their plans had left Medicare.

    - When prompted, roughly 9 to 14 percent of disenrollees in the study sites reported using the cost and quality comparison information in the handbook to help choose a new health plan.

        - There was no correlation between use of the cost/quality comparison information and outcomes of the transition process.

    - Site-to-site variation is pervasive in both the mechanics and outcomes pf the disenrollee transition process, reflecting both the lack of a uniform Medicare benefit (due to differences in provider and plan configuration across sites) and the lack of a uniform process for managing the allocation of available benefits.

    - There is suggestive evidence of certain events or outcomes associated with the disenrollee transition process, as it currently functions.

        - Some of these outcomes are not a consequence of information deficits and hence cannot be avoided through changes of information.

        - Among issues salient to disenrolled beneficiaries, we have found that the topic of capacity limits is not well-addressed by materials provided by CMS.

    - Several measures suggest that minorities may be more likely than whites to have adverse experiences or outcomes in connection with disenrollment.